



# Accelerated Benefit Riders

FOR LIFE INSURANCE

TERMINAL ILLNESS • CHRONIC ILLNESS • CRITICAL ILLNESS



In 2022, over 33 million Americans were hospitalized.<sup>1</sup> Whether it is a critical illness, a chronic illness or even the terminal illness of a loved one, these tragedies can drain the entire family emotionally and financially.



## Take Control

When illness strikes, work is often lost and paychecks may be diminished, or eliminated. Expenses associated with hospital stays, and other potential medical expenses can compound your financial stress.

No one expects such events, but we can plan for them.

**Be prepared with American National's Critical, Chronic, and Terminal Illness Accelerated Benefit Riders.<sup>2</sup>**

# What is a Living Benefit?

American National's Living Benefits are Accelerated Benefit Riders which provide the potential to receive a partial or full accelerated life insurance benefit if the insured experiences a qualifying medical condition.<sup>3</sup>

- **Partial Acceleration** is paid in lieu of a portion of the policy's death benefit.
- **Full Acceleration** is paid in lieu of the policy's death benefit. In the case of a full acceleration, the policy will be terminated after acceleration is paid.

## Protection With No Additional Premium

The Accelerated Benefit is an unrestricted cash payment that is offered at no additional premium. However, the accelerated death benefit payment, if any, will be less than the policy death benefit because it will be reduced by an actuarial discount and an administrative fee of up to \$500. The amount of the actuarial discount is primarily dependent on American National's determination of the insured's life expectancy at the time of the election.

## Benefit Limits

Maximum Policy Death Benefit Eligible for Acceleration		
Issue Ages 0–65	\$2,000,000	Policies with a death benefit higher than the maximum accelerated amounts listed may still contain the Accelerated Benefit Riders but will only allow partial accelerations up to the maximum benefit eligible for acceleration.
Issue Ages 66 & over	\$1,000,000	
Minimum Death Benefits		
Terminal Illness Rider	\$25,000	Not everyone will qualify for an accelerated death benefit. Policies with death benefits below the minimums listed will not be eligible for the rider(s).
Critical or Chronic Illness Riders	\$50,000	

# Terminal Illness



The Accelerated Benefit Rider for Terminal Illness may provide the means to help you get through the remainder of your days with dignity.

**Eligibility** – Insured has an illness or condition that is expected to result in death within 24 months.<sup>4</sup>

## Hypothetical Case

Joan found out she had pancreatic cancer and a leading cancer treatment center confirmed that she had only a few months of life remaining.

Joan was soon unable to work and was quickly running through her savings and was concerned about how she would continue to pay for her treatment.

Joan read her life insurance policy to find out how to surrender it for the accumulation value and noticed the Accelerated Benefit Rider for Terminal Illness. She checked with the company and, after evidence of her condition was provided, she elected to receive a discounted accelerated benefit payment in settlement of her policy.

With this money, Joan was able to continue her treatments and lived 16 additional months before she succumbed to the pancreatic cancer.

The Accelerated Benefit Rider for Critical Illness is there for you when a critical illness arises and to help see you through your crisis.

**Eligibility** – insured has suffered a critical illness described in the rider, which may include heart attack, stroke, invasive cancer, etc. The 16 covered critical illnesses may be found in the Rider Form or the ABR Overview. Claims will not be processed until at least thirty days after the qualifying event has occurred.<sup>5</sup>



## Hypothetical Case

Armando and Maria each own permanent life insurance policies with death benefits of \$250,000 each.

Armando experienced a massive heart attack and was unable to return to work for several months. Maria took a temporary leave of absence from her job to help care for him.

Their financial adviser looked into their Critical Illness Rider on their life insurance policies and found that they could accelerate a portion of the death benefit from Armando's policy which would see them through this crisis without having to destroy their savings or retirement nest egg.



The Accelerated Benefit Rider for Chronic Illness is there for you when a chronic illness arises and can help see you through your crisis.

**Eligibility** – Insured is unable to perform two out of six activities of daily living (bathing, continence, dressing, eating, toileting, or transferring) or requires constant supervision to protect from threats to health and safety due to severe cognitive impairment.<sup>5</sup>

## Hypothetical Case

Bill was diagnosed with early-onset Alzheimer's disease and as the disease progressed, he became unable to work or stay at home alone.

Bill and his wife, Karen, asked their advisor about surrendering the policy for the accumulation value in the \$500,000 permanent life insurance policy on Bill's life.

Their advisor told them that Bill's policy had an Accelerated Benefit Rider for Chronic Illness. If Bill met the qualifications, the rider would allow them to either settle his policy and receive an accelerated death benefit or take a portion of the death benefit now while still having part of the policy to rely upon.

After submitting the paperwork, Bill and Karen chose to accelerate 25% of the policy to help with immediate needs but still leave 75% of the death benefit to assist Karen later.

Sadly, two years later, Bill's condition worsened and they chose to accelerate an additional 50% of the remaining death benefit to cover necessary expenses and still leave a benefit to cover expected funeral expenses.

## Accelerated Benefit Rider Notice

Policy Form Series: ABR14-CT, ABR14-CH, ABR14-TM (ND & SD Form Series ABR22-CT, ABR22-CH, and ABR22-TM). Forms will vary by state and may not be available in all states. Have your agent refer to rider forms for a complete list of illnesses and definitions. FL and NY limit the definition of terminal illness to conditions that are expected to result in death within 12 months. Critical Illness is not available in New York.

The riders are subject to an administrative fee of up to \$500 and an actuarial discount that will be assessed when the benefit is elected. The amount of the reduction is primarily dependent on American National's determination of the insured's life expectancy at the time of election. Outstanding policy loans will reduce the amount of the benefit payment. The accelerated death benefit is an unrestricted cash payment. The Chronic and Terminal Illness Riders are intended to receive favorable tax treatment under 101(g) of the IRS. Receipt of a benefit could be a taxable event. You should consult a tax advisor regarding the tax status of any benefit paid under these riders. Receipt of Accelerated Benefits may affect your eligibility for Medicaid, supplemental security income, or other governmental benefits or entitlements. Before accelerating any benefit you should consult an advisor to determine the impact on your eligibility. Accelerated Benefit Riders are not replacements for Long-Term Care Insurance. This is a life insurance benefit that gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying medical condition described in the policy. This policy or certificate is not a Medicare supplement policy. Accelerated Benefit Riders ("ABR") and long-term care insurance ("LTCI") provide different types of benefits. An ABR allows the insured to access a portion of the life insurance policy's death benefit while living and may be used for any purpose. LTCI provides reimbursement for necessary care received due to a prolonged illness or disability. Coverage may include reimbursement for the cost of a nursing home, assisted living, home health care, homemaker services, adult day care, hospice services or respite care for the primary caretaker. The benefits may be conditioned on certain requirements or meeting an elimination period or limited by type of service, the number of days or a maximum dollar limit. Benefits under some ABRs and all LTCI are conditioned upon the insured not being able to perform two or more of the activities of daily living or being cognitively impaired.

**New York Chronic Illness Rider:** This product is a life insurance policy that accelerates the death benefit on account of chronic illness and is not a health insurance policy providing long term care insurance subject to the minimum requirements of New York Law, does not qualify for the New York State Long-Term Care Partnership program, and is not a Medicare supplement policy.



**American National realizes that we all need to be ready for whatever life has in store for us. We need the flexibility to deal with every crisis, especially when we face a life threatening illness. Our Accelerated Benefit Riders are one more building block in creating a secure financial future for you and your family. Help protect what you have worked so hard to build. Increase your family's security today.**

1) According to AHA Hospital Statistics. 2) New York Residents: The Critical Illness Rider is not available. A supplemental application is required to determine eligibility for the Chronic Illness Rider. Chronic illness requires a licensed health care practitioner's certification that the condition requires continuous care for the remainder of the insured's life. The maximum benefit that may be paid in a calendar year under the Chronic Illness Rider may not exceed the annualized per diem amount that is in effect for long term care services. Please see 26 USC 7702B(d)(4) to determine the amount currently in effect for the current year. 3) See Policy Form Series ABR14-CT, ABR14-CH, ABR14-TM (ND & SD Form Series ABR22-CT, ABR22-CH, and ABR22-TM) for a complete list of policy terms, coverage conditions and limitations. Accelerated Benefits will not be paid for conditions resulting from self-inflicted injury or attempted suicide. NY does not have an exclusion for self-inflicted injury or attempted suicide. 4) Some states may limit the definition of terminal illness to conditions that are expected to result in death within 12 months. 5) A request for an accelerated death benefit may only be beneficial if the qualifying event results in significant deterioration of the rider insured's life expectancy. The size of the accelerated benefit payment is primarily dictated by the expected mortality of the insured. A shorter life expectancy will result in a larger payment.

Neither American National nor its representatives give legal or tax advice. Agents can only discuss general benefits of conversion and must refer clients to their tax advisor or attorney for tax or legal advice. American National Insurance Company, headquartered in Galveston, Texas is licensed to conduct business in all states except New York. Business is conducted in New York by American National Life Insurance Company of New York, headquartered in Glenmont, New York. Each company has financial responsibility only for the products and services it issues.

This brochure is not intended for distribution or promotion of riders available in California. Please see brochure 10743-CA for information on Accelerated Benefit Riders available in California.

Not FDIC/NCUA insured | Not a deposit | No bank/CU guarantee | Not insured by any federal government agency | May lose value



**AMERICAN NATIONAL INSURANCE COMPANY**  
**AMERICAN NATIONAL LIFE INSURANCE COMPANY OF NEW YORK**